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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 25, 2001

APPLICATION OF

KMC DATA LLC

CASE NO. PUC010138

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On June 15, 2001, KMC DATA LLC ("KMC DATA" or the "Company") completed an application for a certificate of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated July 3, 2001, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a Staff Report, and scheduled a public hearing to receive evidence relevant to KMC DATA's application. On August 9, 2001, KMC DATA filed proof of service on all certificated local exchange and interexchange carriers in Virginia and proof of publication in all newspapers of general circulation throughout KMC DATA's service territory. Also on August 9, 2001, KMC DATA filed a Motion for Change in Procedural Date stating that, based

on an oversight by the <u>Norfolk Virginian-Pilot</u>, advertised notice was not published in the newspaper until July 29, 2001, two days after the deadline set forth in our July 3, 2001, Order. KMC DATA requested that the date by which the Company must publish notice of its application be continued two days to July 29, 2001.

On August 30, 2001, the Staff filed its Report finding that KMC DATA's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). Based upon its review of KMC DATA's application, the Staff determined it would be appropriate to grant the Company a certificate to provide local exchange telecommunications services subject to the following condition: should KMC DATA collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with KMC DATA and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

A hearing was conducted on September 13, 2001. At the hearing, the application and accompanying attachments and the

Staff Report were entered into the record without objection.

The Commission granted the Company's Motion for Change in

Procedural Date to move the deadline for publication to July 29,

2001. No public witnesses appeared.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted a certificate to provide local exchange telecommunications services.

Accordingly, IT IS ORDERED THAT:

- (1) KMC DATA is hereby granted a certificate of public convenience and necessity, No. T-568, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.
- (2) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.
- (3) Should KMC DATA collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with KMC DATA, and shall notify the Division of Economics and Finance of the escrow arrangement and

any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.